

December 14, 2020

VIA RESS

Ms. Christine E. Long
Registrar
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Dear Ms. Long:

Re: EB-2020-0264: Enbridge Gas Inc. (EGI) January 1, 2021 QRAM Application.

Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA.

IGUA's Position on Proposed Rate Adjustments

IGUA's advisors, Jupiter Energy Advisors Inc. (Jupiter) have reviewed EGI's Application for quarterly adjustment of rates (QRAM) for all of the legacy rate zones of Enbridge Gas Distribution and Union Gas Limited, such adjustment to be effective January 1, 2021. Based upon Jupiter's advice, IGUA is satisfied that EGI has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision, and has no objection to approval of EGI's application as filed.

Additional Comments

We note that EGI has proposed to include in this QRAM adjustment updated tolls and updated abandonment surcharges for TC Energy, neither of which have yet been approved by the Canadian Energy Regulator (CER), on the basis that these toll changes are the subject of a settlement agreement in the process in which the changes have been applied for. In the past EGI has taken the position that until the regulator approves upstream toll changes such changes would not be incorporated into Ontario delivery rates. In the circumstances of the proposed upstream changes addressed by EGI in this QRAM IGUA agrees that it is appropriate that they be included proactively.

We also note that EGI's proposed rates continue to lack symmetry with market rates, in this instance primarily as a result of including in this QRAM the price increases deferred from the last QRAM change as mitigation for then significant forecast customer rate increases. IGUA agrees that it is appropriate to include previously deferred recoveries in rates effective January 1, 2021 in order to

keep those recoveries as proximal as possible to the time in which the associated cost increases arose in the market.

Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EGI's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of what relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Jupiter, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Jupiter conducts a review of the QRAM application as filed, and provides a report to IGUA. Following receipt and review of Jupiter's report, IGUA is either in a position to advise the Board of any concerns or that, as in this instance, it has no cause for objection.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Asha Patel (EGI)
Tania Persad (EGI)
Valerie Young (Jupiter)
Intervenors of Record (EB-2019-0194; EB-2020-0095)